

**9th June 1998**

**FIRST PACIFIC'S SHENZHEN CELLULAR VENTURE EXTENDS GSM SERVICE TO NEIGHBORING CITIES**

First Pacific Company Limited announced today that the GSM cellular service provided through Shenzhen Merchant Link, its Shenzhen telecoms investment, has been extended into neighboring Dongguan, and plans have been finalized to expand by early July into nearby Huizhou.

The Dongguan service was officially launched this past weekend, where it is supported by 37 base stations, complementing activities in Shenzhen where the service has approximately 42,000 subscribers and 37 base stations. A further 34 base stations will initially support the service in Huizhou.

The service is targeting 80,000 subscribers in the three cities by year-end 1998, when network capacity is expected to reach 130,000 subscribers.

Ian Stone, Executive Director of First Pacific's telecoms business, said: "Supported by strong technical quality and marketing, Shenzhen Merchant Link has increased its subscriber base by more than 25 per cent so far this year. Subscriber demand in South China remains robust and we fully expect that Merchant Link will remain on track for continued rapid growth."

Shenzhen Merchant Link, a cooperative joint venture which is 60 per cent held by First Pacific and 40 per cent held by China Merchants Group, participates in a GSM cellular service which began commercial operation in September 1996. First Pacific companies are also licensed to provide cellular service in the Philippines, through Smart Communications; in India, through Escotel; in Indonesia, through Metrosel; in Fujian province, through Fujian Telecom; and in Taiwan, through Tuntex Telecommunications.